

Message Text

UNCLASSIFIED

PAGE 01 BONN 11651 171740Z

20

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

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FM AMEMBASSY BONN

TO SECSTATE WASHDC 1505

INFO USMISSION OECD PARIS

UNCLAS BONN 11651

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT: BUNDES BANK REDUCES RESERVE REQUIREMENTS FOR
FOREIGN LIABILITIES OF BANKS

1. AT TODAY'S MEETING THE CENTRAL BANK COUNCIL OF THE
BUNDES BANK DECIDED TO REDUCE, EFFECTIVE AUGUST 1, RESERVE
REQUIREMENTS FOR THE BANKS' FOREIGN LIABILITIES TO THE
LEVEL NOW APPLICABLE FOR THE BANKS' DOMESTIC LIABILITIES.
ACCORDING TO THE BUNDES BANK, THE ACTION WILL RELEASE
RESERVES OF DM 1.5 BILLION.

2. HOWEVER, WHILE RESERVE REQUIREMENTS FOR DOMESTIC
LIABILITIES DIFFER ACCORDING TO THE SIZE AND THE
LOCATION OF THE INDIVIDUAL BANK, SUCH A DIFFERENTIATION
WILL NOT APPLY TO RESERVE REQUIREMENTS FOR FOREIGN
LIABILITIES. FOR SUCH REQUIREMENTS THE HIGHEST RESERVE
RATIOS CURRENTLY EFFECTIVE FOR DOMESTIC LIABILITIES
WILL APPLY; I.E., 13.55 PERCENT FOR SIGHT DEPOSITS,
9.35 PERCENT FOR TIME DEPOSITS AND 6.25 PERCENT FOR
SAVINGS DEPOSITS.
HILLENBRAND

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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